

Mā tō tātou takiwā  
**For our District**

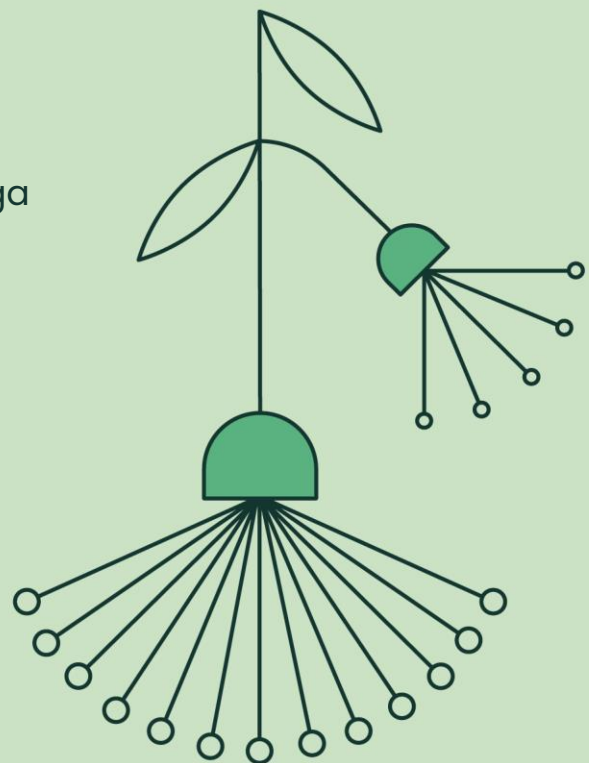
## **Annual Plan and Long Term Plan Committee**

Komiti Kaupapa Tiro Whakamua

APLTP22-3

Thursday, 9 June 2022, 9.30am

Council Chambers, Barkes Corner, Tauranga



# Annual Plan and Long Term Plan Committee

## Membership:

Chairperson	Deputy Mayor John Scrimgeour
Deputy Chairperson	Cr James Denyer
Members	Cr Grant Dally Cr Mark Dean Cr Murray Grainger Cr Monique Gray Cr Anne Henry Cr Kevin Marsh Cr Margaret Murray-Benge Cr Allan Sole Cr Don Thwaites Mayor Garry Webber
Quorum	6
Frequency	Quarterly

## Role:

- To manage the process of development of the Annual Plan, Long Term Plan and amendments, including the determination of the nature and extent of community engagement approaches to be employed.

## Scope:

To undertake on behalf of Council all processes and actions precedent to the final adoption of the Annual Plan, Long Term Plan and any amendments including, but not limited to:

- the development of consultation documents and supporting documentation,
- community engagement approaches and associated special consultative processes (if required), and

- the review of policies and strategies required to be adopted and consulted on under the Local Government Act 2002 including the financial strategy, treasury management strategies and the infrastructure strategy.
- To listen to and receive the presentation of views by people and engage in spoken interaction with people pursuant to section 83(1)(d) of the Local Government Act 2002 in relation to any processes Council undertakes to consult on under the special consultative procedure, as required by the Local Government Act 2002 or any other Act.
- To engage with Council's external auditors regarding the audit work programme for the Long Term Plan and agree the terms and arrangements of the external audit.
- To review the effectiveness of the Long-Term Plan audit or any audit relating to an amendment to the Long-Term Plan.

### Power to act:

- To make all decisions necessary to fulfil the role and scope of the Committee subject to the limitations imposed, including the adoption for the purposes of consultation under the Local Government Act 2002 of the consultation document and supporting documentation.
- To receive external and internal audit reports in relation to the Long Term Plan and any amendments to the Long Term Plan.
- To approve the Auditor's engagement and arrangement letters in relation to the Long-Term Plan and any amendments to the Long Term Plan.

### Power to recommend:

- To Council and/or any Committee as it deems appropriate.

### Power to sub-delegate:

- The Committee may delegate any of its functions, duties or powers to a subcommittee, working group or other subordinate decision-making body subject to the restrictions on its delegations and provided that any sub-delegation includes a statement of purpose and specification of task.

Notice is hereby given that a Annual Plan and Long Term Plan  
Committee Meeting will be held in the Council Chambers, Barkes  
Corner, Tauranga on:  
Thursday, 9 June 2022 at 9.30am

## Order Of Business

1	Present.....	5
2	In Attendance .....	5
3	Apologies.....	5
4	Consideration of Late Items.....	5
5	Declarations of Interest.....	5
6	Public Excluded Items .....	5
7	Public Forum.....	5
8	Presentations .....	5
9	Reports .....	6
	9.1 Annual Plan 2022/23 - Deliberations.....	6
10	Information for Receipt.....	585

**1 PRESENT****2 IN ATTENDANCE****3 APOLOGIES****4 CONSIDERATION OF LATE ITEMS****5 DECLARATIONS OF INTEREST**

Members are reminded of the need to be vigilant and to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest that they may have.

**6 PUBLIC EXCLUDED ITEMS****7 PUBLIC FORUM**

A period of up to 30 minutes is set aside for a public forum. Members of the public may attend to address the Board for up to five minutes on items that fall within the delegations of the Board provided the matters are not subject to legal proceedings, or to a process providing for the hearing of submissions. Speakers may be questioned through the Chairperson by members, but questions must be confined to obtaining information or clarification on matters raised by the speaker. The Chairperson has discretion in regard to time extensions.

Such presentations do not form part of the formal business of the meeting, a brief record will be kept of matters raised during any public forum section of the meeting with matters for action to be referred through the customer contact centre request system, while those requiring further investigation will be referred to the Chief Executive.

**8 PRESENTATIONS**

## 9 REPORTS

### 9.1 ANNUAL PLAN 2022/23 – DELIBERATIONS

**File Number:** A4559091

**Author:** Matthew Leighton, Senior Policy Analyst

**Authoriser:** Rachael Davie, General Manager Strategy and Community

#### EXECUTIVE SUMMARY

1. The purpose of this report is to facilitate decisions on the Annual Plan 2022/23 and, following considerations of submissions and other matters raised, to recommend to Council the adoption of the Annual Plan 2022/23 and Fees and Charges 2022/23.

#### RECOMMENDATION

1. That the Senior Policy Analyst's report dated 9 June 2022 titled 'Annual Plan 2022/23 – Deliberations' be received.
2. That the report relates to an issue that is considered to be of **medium** significance in terms of Council's Significance and Engagement Policy.
3. That all written and verbal feedback be received, from the consultation process 21 March to 21 April 2022, as set out in the documents titled 'Pukehina Development Rate – Submissions Pack', 'Annual Plan 2022/23 – Submissions Pack' and 'Fees and Charges 2022/23 – Submissions Pack', and circulated separately with this agenda.

#### Annual Plan 2022/23

4. That in relation to the matters arising from Council/Committee decisions in relation to the Annual Plan 2022/23, the Committee resolves:

#### *Pukehina Development Rate, Topic One – Future of the Pukehina Development Rate*

- a. [Option 1, 2, 3 or 4];

#### *Pukehina Development Rate, Topic Two – Refunding the reserve balance*

- b. [Option 1 or 2];

#### *Capital Programme Changes*

- c. [Option 1 or 2];

#### *External Debt and Cost of Capital*

- d. [Option 1 or 2];

#### *Structure Plan Review*

- e. [Option 1 or 2];

*Ōmokoroa Reserves Acquisition Cost Increase*

- f. [Option 1 or 2];

*Other Annual Plan Submission Points*

- g. [Option 1 and 2].

Fees and Charges 2022/23

5. That in relation to the matters arising from Council/Committee decisions in relation to the Fees and Charges 2022/23, the Committee resolves:

*Reduction of FINCOs for community housing and Papakāinga*

- [Option 1 or 2];

*Fees and Charges including general Financial Contributions*

- [Option 1, 2 or 3].

6. That it be recommended to Council that the Annual Plan 2022/23 and Fees and Charges 2022/23 be amended in accordance with the Long Term and Annual Plan Committee resolutions contained in the minutes of APLTP22-3 dated 9 June 2022, and that the amended Annual Plan 2022/23 and Fees and Charges 2022/23 be adopted.
7. That the Committee notes that the decision story will be prepared as the formal response to submitters, for adoption by Council alongside the Annual Plan 2022/23, and that the decision story will be in general accordance with the Long Term and Annual Plan Committee resolutions contained in the minutes of APLTP22-3 dated 9 June 2022.

**Annual Plan 2022/23**

2. Council consulted on the Annual Plan 2022/23 between 21 March and 21 April 2022. 143 submissions were received. 139 related to the Pukehina Development rate. Submissions are set out in Attachments B, C and D.
3. The scope of the Annual Plan was limited to the Pukehina Development Rate as this was the only material or significant change being considered.
4. No material or significant changes sought through submissions on any other matter (beside the Pukehina Development Rate) can be addressed by Council through the Annual Plan. The general approach will be to defer these matters to more appropriate operational processes as suitable, or to the Annual Plan 2023/24.

**ISSUES AND OPTIONS PAPERS**

5. Attachment A consolidates the Issues and Options papers that consider the matters raised through the Annual Plan and Fees and Charges process.
6. Six Annual Plan related issues and options papers are presented for consideration. These address submissions or issues arisen/new information since the draft Annual Plan was prepared. The recommended approaches to these are not considered material or significant changes alone. The discussion of Financials below considers the cumulative impact.

*Pukehina Development Rate (a. Future of rate; b. Use of existing reserve)*

7. This responds to the key consultation topic of the Annual Plan. It considers the future use of the rate, and in response to several submissions, the use of the reserve.

*Capital Programme Changes*

8. This outlines changes to timing of projects to better reflect delivery expectations and contractor availability. Allowance has also been made for changing interest rates. These changes are not considered significant or material in themselves.

*External Debt and Cost of Capital*

9. This considers the debt and capital cost of changes to the capital work programme and the impact of changing interest rates.

*Structure Plan Review*

10. Structure plans have been updated to reflect land purchase costs as a result of market movement and cost escalations as a result of inflation in the construction sector (between 7-15% in some instances). These are driving Financial Contributions increases. The proposed updated Structure Plans are provided in Attachment G.

*Ōmokoroa Reserves Acquisition Cost Increase*

11. This is to reflect land purchase costs as a result of market movement. This contributes to Financial Contributions increases.

*Other community submission points*

12. This addresses submissions outside of the scope of the current Annual Plan consultation.

**DRAFT FEES AND CHARGES**

13. The Draft Fees and Charges 2022/23 were consulted on concurrently alongside the Annual Plan. The key item for consultation was the changes to the Financial Contributions for community housing and Papakāinga.
14. Nine submissions were received. Two submitters (Stratum Consultants/North 12 Limited Partnership #9; Grey Power #10) were heard in support of their submissions.
15. Separate Issues and Options Papers (See Attachment A) have been prepared to address:



- Financial Contributions Reductions for community housing and Papatāinga
- Other Fees and Charges (including other Financial Contribution matters).

16. The Draft Schedule of Fees and Charges, as prepared for consultation, are presented as Attachment F to this report. Changes will be made to the fees and charges and indicative financial contributions depending on the resolutions passed through this meeting.

### FINANCIAL OVERVIEW

17. The Annual Plan 2022/23 Consultation Document included a 3.96% rates increase for existing ratepayers, and a \$59m capital programme.
18. The Issues and Options Papers presented within this workshop would bring the 2022/23 capital programme to \$67m.
19. Staff have modelled the rating impacts should the Issues and Options be approved. Based on this assumption, the average rates increase for 2022/23 would be 3.92%.
20. Attachment E presents the reworked draft Annual Plan, based on an assumption regarding the Issues and Options. This will be changed depending on the resolutions passed through this meeting, prior to the Council adoption.

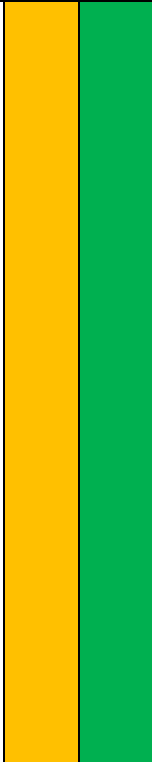
### SIGNIFICANCE AND ENGAGEMENT

21. The Local Government Act 2002 requires a formal assessment of the significance of matters and decisions in this report against Council's Significance and Engagement Policy. In making this formal assessment there is no intention to assess the importance of this item to individuals, groups, or agencies within the community and it is acknowledged that all reports have a high degree of importance to those affected by Council decisions.
22. The Policy requires Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions, and activities.
23. In terms of the Significance and Engagement Policy this decision is considered to be of **medium** significance. This is due to the legislative requirements for the Annual Plan, the clear localised community interest and differing views on the future of the Pukehina Development Rate and because it may require further consultation to reverse decisions. The draft Schedule of Fees and Charges also has legislative requirements for consultation.

### ENGAGEMENT, CONSULTATION AND COMMUNICATION

24. As discussed above, consultation has been undertaken. Targeted engagement was focused on the Pukehina Beach Community.
25. Further communications are planned once decisions are made and the Annual Plan 2022/23 and Fees and Charges 2022/23 are adopted by Council.

<b>Interested/Affected Parties</b>	<b>Completed/Planned Engagement/Consultation/Communication</b>	
Pukehina community	<p>The Annual Plan consultation was primarily targeted to the Pukehina community, because the Pukehina Development Rate is the only item in scope for consultation.</p> <p>Consultation ran from 21 March – 21 April 2022. The key elements were:</p> <ul style="list-style-type: none"> <li>(a) Consultation Document and hardcopy submission form provided to all residents and ratepayers in the Pukehina rating area;</li> <li>(b) Consultation Document and hardcopy submission form available at all libraries and service centres;</li> <li>(c) Consultation Document and Supporting Information available online;</li> <li>(d) Online submission form;</li> <li>(e) In person drop-in event at Pukehina Fishing Club – 10am-12pm, 2 April 2022.</li> </ul> <p>Final Council decisions on the Annual Plan will be communicated via a decision document made available online and sent (either by email or hardcopy) to submitters. Individual responses are not proposed. Targeted communications on adoption will also be undertaken.</p>	<div style="background-color: yellow; width: 100%; height: 100%;"></div>
Targeted stakeholders	<p>Targeted engagement on the Draft Schedule of Fees and Charges undertaken on specific fees where considered necessary. Te Ihu o te Waka o Te Arawa, Te Kāhui Mana Whenua o Tauranga Moana, community housing providers, and land trusts in the Papakāinga space will be informed of the proposed changes to Financial Contributions.</p> <p>Changes will be communicated to submitters and stakeholders as suitable.</p>	<div style="background-color: yellow; width: 100%; height: 100%; display: flex; align-items: center; justify-content: center;">Planned</div> <div style="background-color: green; width: 100%; height: 100%; display: flex; align-items: center; justify-content: center;">Completed</div>

General Public	<p>The Annual Plan Consultation Document and Supporting Information made publicly available online.</p> <p>The Draft Schedule of Fees and Charges was also made publicly available on our website and in our libraries/services centres.</p> <p>No material or significant changes sought through submissions on any other matter (besides the Pukehina Development Rate) can be addressed by Council through the Annual Plan. The general approach will be to defer these matters to the Annual Plan 2023/24 (which commences in September 2022).</p> <p>Decision document and final Annual Plan to be made publicly available and media release to accompany the adoption of the Annual Plan.</p>	
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26. As previously agreed by the Committee, decisions will be communicated via a decision document made available online and sent (either by email or hardcopy) to submitters. Individual responses are not proposed.
27. No material or significant changes sought through submissions on any other matter can be approved by Council. The general approach will be to defer these matters to more appropriate process or to the Annual Plan 2023/24 (which commences in September 2022).

### ISSUES AND OPTIONS ASSESSMENT

28. Attachment A consolidates the Issues and Options papers that consider the matters raised through the Annual Plan and Fees and Charges process.
29. The options to address the substantive matter of this paper are discussed below.

<p><b>Option A</b></p> <p>That in relation to the matters arising from Council/Committee decisions on the Annual Plan 2022/23 and the Fees and Charges 2022/23, the Committee proposes specific resolutions to address these and recommends that the Annual Plan 2022/23 and Fees and Charges 2022/23 be adopted by Council.</p>	
<p><b>Assessment of advantages and disadvantages including impact on each of the four well-beings</b></p> <ul style="list-style-type: none"> <li>• <b>Economic</b></li> <li>• <b>Social</b></li> <li>• <b>Cultural</b></li> </ul>	<p><i>Advantages</i></p> <p>Elected members can consider the practicable options, advantages and disadvantages of each option and the financial implications of the options</p>

<ul style="list-style-type: none"> <li>• <b>Environmental</b></li> </ul>	<p>Staff are given clear direction on the amendments required to complete the Annual Plan for adoption within legislative timeframes.</p>
<p><b>Costs (including present and future costs, direct, indirect and contingent costs).</b></p>	<p>The financial implications of each option are outlined in the Issues and Options Papers as per Attachment A as well as the proposed funding source</p>
<p><b>Option B</b> That in relation to the matters arising from Council/Committee decisions on the Annual Plan 2022/23 and the Fees and Charges 2022/23, the Committee <u>does not</u> propose specific resolutions to address these and <u>does not</u> recommend that the Annual Plan 2022/23 and Fees and Charges 2022/23 be adopted by Council.</p>	
<p><b>Assessment of advantages and disadvantages including impact on each of the four well-beings</b></p> <ul style="list-style-type: none"> <li>• <b>Economic</b></li> <li>• <b>Social</b></li> <li>• <b>Cultural</b></li> <li>• <b>Environmental</b></li> </ul>	<p><i>Advantages</i></p> <p>Further information may be requested for consideration prior to decision making.</p> <p><i>Disadvantages</i></p> <p>Unresolved matters will jeopardise completion of the Annual Plan within legislative timeframes. The Annual Plan is required by the Local Government Act 2002 to be adopted no later than 30 June 2022.</p>
<p><b>Costs (including present and future costs, direct, indirect and contingent costs).</b></p>	<p>Financial implications may be unclear.</p>

### STATUTORY COMPLIANCE

30. The recommendations of this report meet the requirements of:















- (a) the Local Government Act 2002, including sections 82, 83, 95, 95A and 150; and
- (b) the Local Government Rating Act 2002.

### FUNDING/BUDGET IMPLICATIONS

Budget Funding Information	Relevant Detail
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Annual Plan and draft Schedule of Fees and Charges development costs	All costs associated with the production of the Annual Plan Consultation Document and draft Schedule of Fees and Charges have been budgeted for.
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## ATTACHMENTS

1. **Attachment A - Consolidated Issues and Options Papers**  
2. **Attachment B - Pukehina Development Rate - Full Submission Pack**  
3. **Attachment C - Other Annual Plan Submissions - Full Submission Pack**  
4. **Attachment D - Fees and Charges - Full Submission Pack**  
5. **Attachment E - Annual Plan 2022/23 - DRAFT**  
6. **Attachment F - Draft Fees and Charges (as per consultation)**  
7. **Attachment G - Proposed Updated Structure Plan Schedules**  







































































































































































































































































































































































































































































































































































































































































































































































































































































































































































































































































































































































































































































































































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